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E-Filed

The Honorable Jocelyn G. Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29201

Re: Docket No. 2017-381-A. In Re: The Impact of the Tax Cuts and Jobs Act  
on South Carolina Utilities

On March 7, 2017, the Office of Regulatory Staff ("ORS") filed recommendations with the Public Service Commission of South Carolina ("Commission") with regards to reporting the impact of the Tax Cuts and Job Act ("Act") in the above referenced docket. Kiawah Island Utility, Inc. ("KIU") submits the following comments in response to ORS's recommendations regarding water companies.

1. Timing of Report

KIU supports ORS's recommended reporting timeframe of May 31, 2018. This timeframe is reasonable and should enable KIU to assess and calculate the impact of the Act based on year end 2017 operating and financial results.

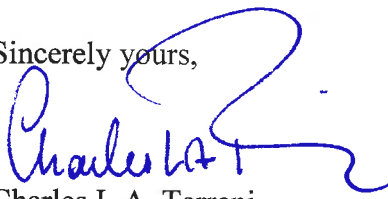
2. Format of Report

The ORS recommends water and sewer utilities with annual revenues of \$250,000 or more begin deferring for future ratemaking treatment all revenue requirement benefits of the Act. However, the ORS is not specific as to the methodology of the calculation of these benefits. KIU recommends any calculation of the Act's impact should be viewed within a totality of all circumstances, using a *pro forma* approach that compares the most recent operating margin or return on equity to that approved by the Commission in the most recent rate case. This report would be similar to format used by electric utilities to report their quarterly earnings to the Commission.

Thank you for the opportunity to comment in this matter. Please be assured that KIU will assist the Commission in obtaining meaningful and relevant information about the impact of the Act on its operations.

With best wishes, I am,

Sincerely yours,



Charles L.A. Terreni

c: Counsel of record